



# PRESS RELEASE

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**SECURITIES FRAUD TASK FORCE OBTAINS  
INDICTMENT OF MULTIPLE FELONY CHARGES  
AGAINST SEVEN DEFENDANTS, INCLUDING A  
CLEARWATER ATTORNEY, IN \$18.4 MILLION PONZI SCHEME**

Paul I. Perez, United States Attorney for the Middle District of Florida, announced today that a Federal Grand Jury in Tampa returned a Superseding Indictment charging seven defendants with multiple crimes. This Superseding Indictment represents the continuing efforts of the Securities Fraud Task Force, a federal and state task force which has been investigating and prosecuting both national and international, large-scale securities fraud for seven years. The Superseding Indictment charges seven persons with a number of crimes, including conspiracy to commit securities fraud, to sell unregistered securities, and to commit mail fraud (18 U.S.C. § 371). The defendants are also charged with securities fraud (15 U.S.C. § 78j(b)); selling unregistered securities (15 U.S.C. § 77e(a)); mail fraud (18 U.S.C. § 1341); money laundering conspiracy (18 U.S.C. § 1956(h)); engaging in illegal monetary transactions (18 U.S.C. § 1957); and laundering of monetary instruments (18 U.S.C. § 1956(a)(1)(A)(i)).

The statutory maximum penalties for conspiracy and mail fraud are five years' incarceration, a \$250,000 fine, and three years' supervised release. The statutory maximum penalties for securities fraud are ten years' incarceration, a \$1,000,000 fine, and five years' supervised release. The statutory maximum penalties for selling unregistered securities are five years' incarceration, a \$10,000 fine, and three years' supervised release. The statutory maximum penalties for engaging in illegal monetary transactions are ten years' incarceration, a \$250,000 fine, and three years' supervised release. The statutory maximum penalties for the money laundering related offenses are twenty years' incarceration, a \$500,000 fine, and three years' supervised release.

The defendants named in the Superseding Indictment are Gregory G. Schultz, an attorney, age 54, of Clearwater; Danny L. Wey, age 54, of Dunedin; Joseph Cuciniello, age 54, of Oldsmar; Dean A. Sinibaldi, age 43, of Fort Myers; Anthony Cuciniello, Jr., age 59, of Odessa; Robert M. Phillips, age 53, of Palmetto; and Gene A. Tyrrell, age 53, of Glendale, Arizona.

The Superseding Indictment alleges that the defendants orchestrated the sale of more than \$18 million in fraudulent, worthless securities in the Middle District of Florida and twenty-one other states in the United States. The Superseding Indictment charges that beginning in September 1996 and continuing through August 2000, in the Middle District of Florida, and elsewhere, the defendants devised a scheme to defraud investors. The defendants and others who conspired with them sold securities in the form of promissory notes, participation agreements, and stock certificates to victims who often invested their life savings. The defendants created false and fraudulent promotional materials and offering documents which described investment opportunities in these securities.

According to the Superseding Indictment, the defendants disseminated the materially false materials utilizing the United States mail, private and commercial carriers, and direct sales pitches to investors, utilizing stock brokers, insurance agents, and financial consultants. The defendants promised the investors they would be purchasing high quality securities which would pay a high rate of return. In many instances, the defendants also falsely promised that the securities were guaranteed and that the investors could not lose their principal investments. In reality, up to seventy percent of the investor funds were diverted, rather than invested as promised.

According to the Superseding Indictment, the investments were marketed under a variety of names, including Millennium Investment, Inc. Trust and The Stonehedge Group.

Upon obtaining the investor funds, the defendants moved the money to bank accounts which they controlled and converted much of the money to their own uses. As a result of the defendants' fraudulent activities, more than 300 investors, throughout twenty-one states, lost more than \$18 million.

United States Attorney Perez commended the Federal Bureau of Investigation, the United States Postal Inspection Service, and the Florida Comptroller's Office in Tampa, for their successful and continuing collaboration with the United States Attorney's Office on this Task Force. Mr. Perez stated, "This multi-agency effort, focusing on persons involved in securities fraud throughout the Middle District of Florida and elsewhere, is an example of the ongoing efforts by law enforcement to combat investor fraud."

This case is being prosecuted by Assistant United States Attorneys Michael E. Runyon and Rachelle DesVaux Bedke of the General Crimes Section of the United States Attorney's Office.

An indictment is merely a formal charge that a defendant has committed a violation of federal criminal laws. Every defendant is presumed innocent until, and unless, proven guilty.